

INTERNATIONAL BROADCASTING NETWORK

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April 26, 2013

BY ECFS

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

Re: In the Matter of Expanding the Economic and Innovation Opportunities of
Spectrum Through Incentive Auctions, GN Docket No. 12-268

Dear Ms. Dortch:

Attached is a copy of an important article published yesterday by *TVTechnology*. The article provides insight into how the myth of a “wireless spectrum crisis” began and was accepted as fact by gullible policymakers.

There’s not a scintilla of reliable evidence supporting the claimed crisis. The claim is false, fraudulent and unsupportable. The wireless companies simply want to warehouse as much additional spectrum as possible for the purpose of establishing monopolistic control over our nation’s communications.

Accordingly, and for each of the reasons it has previously stated, International Broadcasting Network urges that the Commission terminate this proceeding and abandon its plans to reclaim and repurpose television spectrum.

Respectfully submitted,

Paul J. Broyles

Paul J. Broyles
President

Attachment

McAdams On: Ninja Lobbying

Not about innovation

CLARIFICATION -- Let us begin by acknowledging that ninjas were not noble warriors, but paid assassins. And so it goes with anti-broadcast lobbying in Washington, D.C. It's never been pretty, but the current vitriol against the broadcast industry is unrivaled in the brief history of that oh-so insular city. The question is, what is *really* behind it?

Zen teaches us to closely observe that which makes us most agitated, because within that lies our secret fear. So precisely who is fearing what from the broadcast television industry?

Everything points to mobile TV.

It's long been clear that VCast wasn't going anywhere. Either the cellular networks weren't robust enough to handle full-motion video, or the interface just wasn't fully cooked when it launched in 2005. Probably both. As much as mobile video has elicited a general "meh" from the public thus far, there's still a blood brawl to be the first provider to gain a widespread foothold in the market. The reason is obvious—whoever does so owns the next evolution of the TV business, the way a handful of cable and satellite operators dominate now.

The voice carriers have been trying for 20-odd years to get into the TV business. The difference now is that the mobile field is wide open, and the carriers have a leg up they didn't have with fixed TV—a virtual headlock on the device industry. Their control is such that it's *illegal* to unlock a phone for use with another carrier. This carrier-manufacturer arrangement would be like Comcast selling TV sets that didn't work with any other pay TV provider, and that had a two-year replacement cycle.

Unfortunately for the consumer electronics industry, TVs are not replaced every two years. Traditionally, it was more along the lines of every 10 years, but the DTV transition skewed the cycle, leaving set makers in the dust of a gold rush. Those who weren't in the cellphone biz were left gasping. It was an object lesson. Controlling the replacement cycle meant stabilizing revenues.

“We don’t have planned obsolescence, but we have a relentless shift to bigger, better, faster with more services and features,” Consumer Electronics Association chief Gary Shapiro said this week during a luncheon at the Media Institute.

On the contrary, two-year service contracts are designed to assure the replacement cycle, driving revenues for the consumer electronics industry and tons of cellphones into landfills around the world each year. Very little of substantive consequence occurs in terms of device development, though you wouldn’t know it by the marketing hype. Even the last iPhone release—rated 3.5 on CNET—had true believers wondering if maybe they’d sniffed glue.

If that is not “planned obsolescence,” I don’t know what is.

Just as people wised up to the personal computer industry and started stretching out that replacement cycle, the same is likely to happen with handsets. (It was a really bad idea for the Librarian of Congress to tell people they could not unlock their cellphones, because now everyone knows it can be done. Congress will be forced to act sometime within the lifetime of a glacier.)

This all points to the eventual need for another revenue stream, and what greater cow of cash than TV, on handsets—controlled by the providers?

Broadcasters started getting serious about launching mobile TV service in 2007 with the formation of the Open Mobile Video Coalition, which supported the innovation of ATSC M/H, the over-the-air, mobile modulation standard. The standard was ratified in 2009, the same year the wireless carriers—led by AT&T and Verizon Wireless—came into possession of 98 MHz of UHF TV spectrum following the digital transition. Another 10 MHz of TV spectrum then sat fallow because none of the wireless carriers wished to “innovate” a shared solution with first responders.

Concurrent to these events was the appointment of Julius Genachowski to chair the Federal Communications Commission. Genachowski was one-time aide to former chairman Reed Hundt, who admitted in a 2010 speech at Columbia University that, during his 1994-97 tenure, he promoted the Internet over broadcasting to be the only “common medium” for the country. A week after Hundt’s speech, Genachowski released the National Broadband Plan, which called for taking another 120 MHz of television broadcast spectrum and basically giving it to wireless providers.

By that time, revenues from TV set sales were in free fall, and Americans weren’t buying into a 3D format that wasn’t fully cooked. They were, however, buying handsets and tablets—with their companion service plans—like candy. This was clearly an opportunity for manufacturers and service providers to not merely own, but control, both

the content delivery business and the device replacement cycle. The deal was sealed with Verizon's marriage to Comcast, bringing the nation's largest cable provider into the fold. The only threat was the possibility that broadcasters would get mobile DTV service off the ground first.

And so a "looming spectrum crisis" materialized, not in the atmosphere, but in the strategically incubated *lingua franca* of Washington, D.C., a kind of beatbox marketspeak with an amplitude of righteous indignation on behalf of "consumers"—the only truly authentic descriptor in the vernacular. "People," "citizens," even "voters" have been reduced to units of consumption, which pretty much sums up the Beltway view of human beings.

What "looming spectrum crisis" actually means is that if the wireless-device-cable cabal doesn't quash mobile broadcast TV before it gains momentum, there may be competition for the platform. For all the skepticism many of us have expressed about mobile DTV, the concerted effort in Washington lobbying and regulatory circles to crush it may very well be its most pronounced endorsement.

The traditionally discordant broadcast industry has coalesced around mobile DTV, and even against considerable odds managed to persuade a few electronics makers to build receivers. Only a substantial reduction in spectrum will assure that mobile DTV never gets off the ground.

Mssrs. Genachowski and Shapiro have successfully convinced a gullible press that escalating usage of tablets and smartphones portends a spectrum shortage that *must* be averted by repurposing broadcast spectrum. Thus, *no* spectrum inventory was ever produced and no alternatives proffered. There were no studies showing how all types of consumption—data or otherwise—plateaus over time.

There's been no investigation into the development of more data-efficient cellular technologies. There was not so much as a finger lifted to reveal to the public the build-out status of wireless spectrum already in the market, including the 700 MHz TV spectrum released in 2009. We got one resounding clue last year when Verizon dumped its 700 MHz licenses to cozy up to Comcast and its Advanced Wireless Service licenses. There will be nothing said about how many of the 132 million smartphones projected to be sold this year will be replacements. The figure will be bandied about—as it was by Mr. Shapiro at the Media Institute—as evidence that TV spectrum must be reclaimed.

Mr. Shapiro further said the spectrum had been "loaned" to broadcasters, when indeed it has been "licensed" under a regimen that requires the provision of the type of news upon which President Obama relied during the recent events following the Boston

Marathon bombing. The one where cellular networks jammed up again.

He claims that broadcasters are standing the way of innovation and “stalling” the incentive auction by objecting to the sudden and unexpected change in the way the FCC calculates TV station coverage areas.

“I do not profess to be an engineer, but I understand that the new software is easier to use, more accurate and more thorough than prior software,” he said.

The first part is likely to remain constant while the second remains to be seen, and also obfuscates the possibility that the software may render significantly reduced coverage areas. That this would serve the Wireless Communications Commission’s goal of reclaiming as much TV spectrum as possible, and that it was done through a very quietly released Public Notice rather than a formal rulemaking, could just as easily be interpreted as subterfuge.

Mr. Shapiro tells broadcasters they must “innovate or die,” even though it was broadcasters and their vendors who innovated digital television, HDTV, 3DTV, 4KTV, mobile digital TV, the delivery of 5.1 sound to the home, live streaming video from Beijing and London, an emergency alert system responsible for saving scores of abducted children and providing assistance for thousands of people during natural disasters. The innovations of the broadcast industry are the foundation upon which Mr. Shapiro’s constituents have been able to expand their empires. Now they want to claim it as their own.

“The consumer electronics industry is a ninja industry,” Shapiro said.

It would seem so—in the original sense of the word.